



# CITY OF LONG BEACH

DEPARTMENT OF HUMAN RESOURCES

333 West Ocean Boulevard 13th Floor • Long Beach, CA 90802

August 1, 2006

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

## RECOMMENDATION:

1. Adopt the attached Resolution of Intention to amend the City's contract with the Board of Administration of the California Public Employees' Retirement System (CalPERS) as prepared by the City Attorney. (Citywide)
2. Declare Ordinance read for the first time and laid over to the City Council meeting of August 22, 2006 for final reading. (Citywide)
3. Request the City Clerk to cause the Resolution of Intention, a copy of the proposed contract amendment (attached exhibit), and a copy of this letter to be posted in three public places no later than August 4, 2006. (Citywide)

## DISCUSSION

Over the past few months, the City Council has approved Memoranda of Understanding (MOUs) with the International Association of Machinists and Aerospace Workers (IAM), the Long Beach Association of Confidential Employees, the Long Beach Association of Engineering Employees, the Long Beach City Attorney's Association, the Long Beach City Prosecutor's Association, and the Long Beach Management Association. The MOUs increase the employees' contribution towards their retirement and require that the City's contract with the Board of Administration of CalPERS be amended to provide a lower retirement formula for those employees hired after the effective date of the contract amendment.

In order for the City Council to implement the agreement to amend the City's contract with the Board of Administration of CalPERS, as provided by the City Council approved MOUs, it is necessary for the Council to adopt a Resolution of Intention and an Ordinance amending the City's contract with CalPERS. CalPERS has prepared a contract amendment, which, if adopted, will provide the 2.5% at 55 Modified retirement formula for those employees hired after the effective date of the contract amendment. The City Attorney has reviewed the proposed contract amendment and has prepared a Resolution of Intention and the Ordinance amending the City's contract with the Board of Administration of CalPERS.

This matter was reviewed by Deputy City Attorney Christina Checél and Budget Management Officer David Wodynski on July 21, 2006.

TIMING CONSIDERATIONS

The Resolution of Intention and first reading of the Ordinance is requested on August 1, 2006, to amend the City's contract with the Board of Administration of CalPERS on September 30, 2006. In order to comply with the Government Code Section 7507 requirement to post future annual costs at least two weeks prior to the adoption of the final Ordinance and the Government Code Section 20471 requirement of a twenty (20) day period between the adoption of the Resolution of Intention and the adoption of the final Ordinance, the second reading must be scheduled for the City Council meeting of August 22, 2006.

FISCAL IMPACT

There will be no immediate budgetary savings to the City, since the City has a composite rate for miscellaneous employees. Adopting the 2.5% at 55 Modified Retirement Formula for employees hired after the effective date of the contract amendment will save the City money in the future, as future employer rates decrease gradually as the number of employees in the lower formula increases. However, until there is a history established in this formula, it is difficult to estimate the future fiscal impact.

SUGGESTED ACTION

Approve recommendation.

Respectfully submitted,



KEVIN BOYLAN  
DIRECTOR OF HUMAN RESOURCES

APPROVED:



GERALD R. MILLER  
CITY MANAGER